

SUPPORT FOR THE ECONOMIC PARTICIPATION OF WOMEN

(CO-0229)

EXECUTIVE SUMMARY

BORROWER: Republic of Colombia

EXECUTING AGENCY: National Department of Planning (DNP) and National Office of Equity for Women (DINEM)

BENEFICIARY: Republic of Colombia

FINANCING: IDB: US\$ 6,500,000 (OC)
Local contribution: US\$ 4,500,000
Total: US\$11,000,000

FINANCIAL TERMS AND CONDITIONS: Amortization period: 20 years
Disbursement period: 4 years
Interest rate: Variable
Inspection and supervision: 1%
Credit fee: 0.75%
Currency: US\$ (Single Currency)

SOCIAL AND ENVIRONMENTAL IMPACT: The program will have a primarily positive environmental and social impact, particularly the business modernization subcomponent, which includes activities to increase awareness of a culture of quality and its regulation (which includes ISO 14.000 and other environmental protection practices).

OBJECTIVES: The general program objective is to contribute to improving options for the economic participation of women in the labor market by increasing the quality of employment and improving their income. The specific objective is to carry out a pilot program to identify methodologies and tools that will help reduce the barriers to the economic participation of women.

DESCRIPTION: The program consists of the following components:

a. Improving information (US\$1,250,000), through the center for research to study women and the labor objective of this component is to monitor the working women in the labor market, their business, and the market opportunities to have an impact on monitoring of policies and programs to increase the f women in the labor market.

b. Improving the economic participation of women in and in business (US\$6,974,000). In the area of labor, include: (i) early vocational guidance counseling, to ons which secondary school graduates have in selecting technological, and technical courses of study, and ing job placement services, to improve the quality of rovided by such placement centers to women. In the the following integrated activities to support women ed out: (i) support for business modernization;

ning; and (iii) women's leadership.

c. Preinvestment fund (US\$800,000). This component ability to the program by allocating funds to finance studies on other activities that could have a positive economic participation of women, to be identified execution.

d. Impact assessment (US\$300,000). Consulting be hired under this component to design and introduce it assessment that will provide the information mid- and long-term follow-up and evaluation of the it and identify the lessons learned, as well as the r which the pilot program could be carried out on a

The following goals are expected to be achieved:

- Research center: establishment of a database, 10 quarterly bulletins and three annual bulletins, and jects
- Preinvestment fund: 8 studies
- Early vocational guidance counseling: provided for 24,000 young people in Bogotá, Cali, and Medellín
- Strengthening of job placement services: lies and adjustments in the services provided by four rs
- Business modernization: services for 400
- Job retraining: training for 1,200 workers
- Women's leadership: training for 330 nd women executives and 2,200 women workers

BENEFITS:

The main benefit of the program is that it will provide the country with methodologies and tools to help reduce the barriers to the economic participation of women. These methodologies can then be transferred and replicated elsewhere, in order to achieve national coverage. The proposed program is expected to yield the following additional benefits: (i) the country will have periodic information on the economic participation of women; (ii) the women targeted will have better opportunities for access to the labor market and participating enterprises will improve their efficiency and effectiveness; (iii) the participation of private-sector institutions and NGOs in executing the different programs will be promoted, which will stimulate incipient demand for professional services in the small and medium-sized enterprise (SME) sector in the country, and encourage greater use and integration of the services offered by existing entities; and (iv) provide women with opportunities to come together and form trade and other associations.

RISKS:

The following risks have been identified: (i) the new government may not assign high priority to the program; (ii) the executing agencies may lack the

necessary administrative capacity; and (iii) the private sector and/or women may not be sufficiently motivated to hire the services offered under the program.

The first risk factor is mitigated by the interest the program has sparked in institutions and NGOs that deal with the issue of gender equity, the fact that this issue has been included in the platforms of the country's main presidential candidates, and the ongoing institutional support for gender issues by successive governments in Colombia have given in recent years. With respect to the risk of possible institutional weakness in executing the program, a coordination unit will be established and services will be provided by companies selected to be executing agencies through competitive bidding. During the program design stage, business organizations such as ACOPI and civil society organizations (NGOs, universities) were approached about their possible interest in the program and their response was encouraging.

**THE BANK'S
COUNTRY AND
SECTOR STRATEGY:**

The Bank's strategy in Colombia, as defined in the country paper approved in August 1995, is to support programs designed to reduce poverty, improve public-sector capacity and efficiency and governance, and increase the participation and productivity of the private sector in the economy. Accordingly, the Bank has been promoting private-sector and NGO participation in economic activities, the development of civil society, and strengthening of the government's regulatory capacity. Pursuant to the country paper, the Bank has assigned high priority to the participation of women in development as one of the major elements in promoting increased productivity. The proposed project supports increased productivity of women in the work force, an objective in line with the Bank's strategy and with the mandates of the Eighth General Increase in Resources of the Bank. It should be noted that the proposed program is the first operation of this type in the region, and if successful, it could serve as a basis for the design of similar Bank operations in the future.

POVERTY TARGETING:

This operation is not designed to have a direct impact on low-income groups. However, through the subcomponents for early professional and vocational guidance counseling, strengthening of job placement services, and job retraining, the program will have a positive impact on such groups, since for the most part, the women targeted are in the poorest socioeconomic segments (1, 2 and 3).

**SPECIAL
CONTRACTUAL
CONDITIONS:**

As conditions precedent to the first disbursement, the following will be required: (i) establishment of the program coordination unit; (ii) creation of the steering committee; (iii) selection of the program director; (iv) approval of the program's Operating Regulations; and (v) signing of an agreement with the National Preinvestment Fund (FONADE), the agency that will administer the funds.

PROCUREMENT OF

FONADE will follow current Bank procedures for the

**GOODS AND
CONSULTING
SERVICES:**

procurement of good and the awarding of consulting contracts to be financed with program resources. When the proceeds of the Bank loan are being used, the threshold above which international competitive bidding will be required for the procurement of goods will be US\$350,000, and the threshold for consulting contracts, US\$200,000. Procurement in amounts below these thresholds will be governed by the procedures set forth in current local legislation.